DEPARTMENT OF HEALTH AND HUMAN SERVICES
HEALTH CARE FINANCING ADMINISTRATION

FORM APPROVED
OMB NO. 0938-0193

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER: 9 5 — 0 3 3

2. STATE: LOUISIANA

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
July 1, 1995

5. TYPE OF PLAN MATERIAL *(Check One)*:

☐ NEW STATE PLAN ☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN ☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT *(Separate Transmittal for each amendment)*

6. FEDERAL STATUTE/REGULATION CITATION:
42 CFR 413.30 and 413.40

7. FEDERAL BUDGET IMPACT:
a. FFY 1994-95 $ (2,646,367)
b. FFY 1995-96 $ (10,608,271)

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:
Attachment 4.19-A, Item 1, Pages 8~~d and 8e~~

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*:
~~XXXX~~ 94-32
~~XXXX~~ SAME (TN ~~95-32 Pending~~)

10. SUBJECT OF AMENDMENT: The purpose is to amend the reimbursement methodology for qualification and calculation of outlier payments for catastrophic costs associated with medically necessary services provided to children under six in disproportionate share hospitals and for services to infants one year or under in all general acute care hospitals.

11. GOVERNOR'S REVIEW *(Check One)*:

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT
☒ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL
☐ OTHER, AS SPECIFIED:

12. SIGNATURE OF STATE AGENCY OFFICIAL:
Charles F. Castello

13. TYPED NAME:
FW Rose V. Forrest

14. TITLE:
Secretary

15. DATE SUBMITTED:
September 27, 1995

16. RETURN TO:
Department of Health and Hospitals
Bureau of Health Services Financing
P.O. Box 91030
Baton Rouge, LA 70821-9030

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:
October 3, 1995

18. DATE APPROVED
JUNE 26, 2001

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:
JULY 1, 1995

20. SIGNATURE OF REGIONAL OFFICIAL:
Jennifer Hall

21. TYPED NAME:
~~Steve McAdoo~~
for CALVIN C. CLINE

22. TITLE:
Associate Regional Administrator
Division of Medicaid

23. REMARKS:
Pen & ink changes per State's 5/8/01 letter.

FORM HCFA-179 (07-92)

Instructions on Back

7. **The following payments shall be made in addition to the prospective rate described above.**

a. Nursery Boarder Infants Payments

On some occasions a newborn remains in a hospital nursery after the mother has been discharged. Reimbursement is established at the weighted median for all hospitals providing maternity care, based on 1991 cost inflated to the implementation year as described in "Inflation Factor" above, and annually thereafter.

b. Outlier Payments

In compliance with the requirement of §1902(s)(1) of the Social Security Act, additional payment shall be made for catastrophic costs associated with services provided to 1) children under age six in a disproportionate share hospital setting and 2) infants who have not attained the age of one year in any acute care setting. Each case will be reviewed on an individual basis. If covered charges for the individual case exceeds both $150,000 and two hundred percent (200 %) of the prospective payment, reimbursement will be 55% of marginal costs. Marginal costs are determined by applying the cost to charge ratio to actual charges and subtracting the prospective payments.

Cost is defined as the hospital-specific ratio of cost to charges from the 1991 base period multiplied by the covered charges.

For new hospitals, the hospital-specific ratio of cost to charges is determined as follows:

1) For new hospitals enrolled subsequent to the 1991 base year that have completed 6 months or more of operations and have filed a cost report by Jun 30, 1994, cost data contained in the hospital's initial cost report period shall be used to determine the hospital-specific ratio of cost to charges.

2) New hospitals not having submitted a cost report of at least six months on or before June 30, 1994, will use the ratio of cost to charges of the hospital at the weighted median for the peer group.

STATE Louisiana
DATE REC'D 10-3-95
DATE APPV'D 6-6-01
DATE EFF 7-1-95
HCFA 179 TN 95-33
A

SUPERSEDES: TN - 94-32